

Exhibit B

Proposed Sur-Reply

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO

as representative of

THE COMMONWEALTH OF PUERTO RICO, ET
AL.,

Debtors.⁹

PROMESA
Title III

Case No. 17-BK-03283 (LTS)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO

as representative of

THE EMPLOYEES RETIREMENT SYSTEM OF
THE GOVERNMENT OF THE COMMONWEALTH
OF PUERTO RICO,

Debtor.

PROMESA
Title III

Case No. 17-BK-03566 (LTS)

⁹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE EMPLOYEES RETIREMENT SYSTEM OF
THE GOVERNMENT OF THE COMMONWEALTH
OF PUERTO RICO,

- and -

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Movants,

v.

ANDALUSIAN GLOBAL DESIGNATED ACTIVITY
COMPANY, CROWN MANAGED ACCOUNTS FOR
AND ON BEHALF OF CROWN/PW SP, GLENDON
OPPORTUNITIES FUND, L.P., LMA SPC FOR AND
ON BEHALF OF MAP 98 SEGREGATED
PORTFOLIO, MASON CAPITAL MASTER FUND
L.P., OAKTREE-FORREST MULTI-STRATEGY,
LLC (SERIES B), OAKTREE OPPORTUNITIES
FUND IX, L.P., OAKTREE OPPORTUNITIES FUND
IX (PARALLEL), L.P., OAKTREE OPPORTUNITIES
FUND IX (PARALLEL 2), L.P., OAKTREE
HUNTINGTON INVESTMENT FUND II, L.P.,
OAKTREE OPPORTUNITIES FUND X, L.P.,
OAKTREE OPPORTUNITIES FUND X
(PARALLEL), L.P., OAKTREE OPPORTUNITIES
FUND X (PARALLEL 2), L.P., OAKTREE VALUE
OPPORTUNITIES FUND HOLDINGS, L.P.,
OCEANA MASTER FUND LTD., OCHER ROSE,
L.L.C., PENTWATER MERGER ARBITRAGE
MASTER FUND LTD., PWCM MASTER FUND
LTD., REDWOOD MASTER FUND, LTD., AND SV
CREDIT, L.P.,

PROMESA
Title III

Case No. 17-bk-3566 (LTS)

Re: ECF No. 891

Case No. 17-bk-3283 (LTS)

Re: ECF No. 13054

- and -

PUERTO RICO AAA PORTFOLIO BOND FUND, INC., PUERTO RICO AAA PORTFOLIO BOND FUND II, INC., PUERTO RICO AAA PORTFOLIO TARGET MATURITY FUND, INC., PUERTO RICO FIXED INCOME FUND, INC., PUERTO RICO FIXED INCOME FUND II, INC., PUERTO RICO FIXED INCOME FUND III, INC., PUERTO RICO FIXED INCOME FUND IV, INC., PUERTO RICO FIXED INCOME FUND V, INC., PUERTO RICO GNMA & U.S. GOVERNMENT TARGET MATURITY FUND, INC., PUERTO RICO INVESTORS BOND FUND I, PUERTO RICO INVESTORS TAX-FREE FUND, INC., PUERTO RICO INVESTORS TAX-FREE FUND, INC. II, PUERTO RICO INVESTORS TAX-FREE FUND III, INC., PUERTO RICO INVESTORS TAX-FREE FUND IV, INC., PUERTO RICO INVESTORS TAX-FREE FUND V, INC., PUERTO RICO INVESTORS TAX-FREE FUND VI, INC., PUERTO RICO MORTGAGE-BACKED & U.S. GOVERNMENT SECURITIES FUND, INC., TAX-FREE PUERTO RICO FUND, INC., TAX- FREE PUERTO RICO FUND II, INC., AND TAX-FREE PUERTO RICO TARGET MATURITY FUND, INC.,

- and -

THE BANK OF NEW YORK MELLON, AS FISCAL AGENT,

Respondents.

THE SPECIAL CLAIMS COMMITTEE OF THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, ACTING BY AND THROUGH ITS MEMBERS,

and

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF ALL TITLE III DEBTORS (OTHER THAN COFINA),

Adv. Proc. No. 19-00359 (LTS)

as co-trustees of

THE EMPLOYEES RETIREMENT SYSTEM OF
THE GOVERNMENT OF PUERTO RICO,

Plaintiff,

v.

DEFENDANT 1H-78H,

Defendants.

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO,

and

THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF ALL TITLE III DEBTORS (OTHER
THAN COFINA),

as section 926 trustee of

THE COMMONWEALTH OF PUERTO RICO

Plaintiffs,¹⁰

v.

GLENDON OPPORTUNITIES FUND, L.P.;
OAKTREE-FORREST MULTI-STRATEGY, LLC
(SERIES B); OAKTREE OPPORTUNITIES FUND
IX, L.P.; OAKTREE OPPORTUNITIES FUND IX
(PARALLEL 2), L.P.; OAKTREE VALUE
OPPORTUNITIES FUND, L.P.; PUERTO RICO AAA

Adv. Proc. No. 19-00367 (LTS)

¹⁰ The Official Committee of Unsecured Creditors serves as section 926 trustee and co-plaintiff in the prosecution of this adversary proceeding pursuant to Docket No. 6990, which is incorporated herein by reference.

PORTFOLIO BOND FUND, INC.; PUERTO RICO)
AAA PORTFOLIO BOND FUND II, INC.; PUERTO)
RICO AAA PORTFOLIO TARGET MATURITY)
FUND, INC.; PUERTO RICO FIXED INCOME)
FUND, INC.; PUERTO RICO FIXED INCOME)
FUND II, INC.; PUERTO RICO FIXED INCOME)
FUND III, INC.; PUERTO RICO FIXED INCOME)
FUND IV, INC.; PUERTO RICO FIXED INCOME)
FUND V, INC.; PUERTO RICO GNMA & U.S.)
GOVERNMENT TARGET MATURITY FUND,)
INC.; PUERTO RICO INVESTORS BOND FUND I;)
PUERTO RICO INVESTORS TAX-FREE FUND,)
INC.; PUERTO RICO INVESTORS TAX-FREE)
FUND II, INC.; PUERTO RICO INVESTORS TAX-)
FREE FUND III, INC.; PUERTO RICO INVESTORS)
TAX-FREE FUND IV, INC.; PUERTO RICO)
INVESTORS TAX-FREE FUND V, INC.; PUERTO)
RICO INVESTORS TAX-FREE FUND VI, INC.;)
PUERTO RICO MORTGAGE-BACKED & U.S.)
GOVERNMENT SECURITIES FUND, INC.; TAX-)
FREE PUERTO RICO FUND, INC.; TAX-FREE)
PUERTO RICO FUND II, INC.; TAX-FREE PUERTO)
RICO TARGET MATURITY FUND, INC.; UBS IRA)
SELECT GROWTH & INCOME PUERTO RICO)
FUND,)
)
)
Defendants.)
)

**URGENT MOTION OF THE PUERTO RICO FUNDS FOR LEAVE TO FILE SUR-
REPLY IN RESPONSE TO URGENT MOTION OF THE COMMITTEES AND
GOVERNMENT PARTIES CONCERNING PENDING MOTIONS IN CERTAIN
CONTESTED MATTERS AND ADVERSARY PROCEEDINGS RELATED TO THE
BONDS ISSUED BY THE EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO**

To the Honorable United States District Judge Laura Taylor Swain:

The Puerto Rico Funds respectfully submit this sur-reply in support of their opposition, ECF No. 1054 in Case No. 17-bk-03566 (the “Opposition”), to the Scheduling Motion,¹¹ and in response to misleading factual assertions raised in the reply submitted by the Oversight Board, the

¹¹ Capitalized terms used but not defined herein have the meanings ascribed to them in the Opposition.

SCC, and the Retiree Committee¹² in support of the Scheduling Motion ECF No. 1055 in Case No. 17-bk-03566 (the “Reply”), and respectfully state as follows:

1. In the Reply, the Movants state in relevant part that:

The Court-appointed Mediation Team (and not the Oversight Board) has scheduled mediation sessions in an effort to maximize the possibility of building a foundation of support for a plan of adjustment and develop as broad a consensus prior to February 10, 2021. The Oversight Board has participated in every mediation session that has been scheduled. *A broad spectrum of bondholders participate in these sessions, including the largest holder of ERS Bonds.*”

Reply ¶ 3 (emphasis added). The Movants’ statement implies that recent mediation sessions regarding ERS issues have occurred and that one of the largest ERS bondholders has attended those sessions. To be clear, no mediation of ERS issues has occurred for more than a year. The fact that a single ERS bondholder (who also holds a publicly disclosed GO bond position) has participated in recent mediation regarding Commonwealth plan of adjustment issues does not reflect mediation of ERS disputes. The Puerto Rico Funds—as well as the ERS Bondholders Group and the Fiscal Agent—remain ready, willing and able to mediate the ERS disputes at the earliest possible time as scheduled by the Mediation Team. The Puerto Rico Funds welcome the Movants’ statement of their intent to participate in mediation sessions as and when scheduled by the Mediation Team. Until those sessions occur, however, the Puerto Rico Funds believe it would be a waste of time and resources to schedule and begin preparation for oral argument on the pending motions.

¹² The Creditors’ Committee did not join paragraph 3 of the Reply “as it addresses arguments and issues specific to the Oversight Board.” Reply ¶ 3 n.5.

In San Juan, Puerto Rico, today Monday, January 20, 2021.

/s/ Alicia I. Lavergne-Ramírez

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